

19 A. I would -- my recollection is that they are at
20 or above. The reason I say that is, I am trying to
21 remember, specifically, what the -- I don't know,
22 specifically, what the force levels are, like, you know,
23 last month or the month before. But I do know that the
24 expectation that we've set up is, at that time, force
25 levels will be -- we have updated the force levels. They
0076
1 are higher than they were at the end of 1996 for 1997, by
2 at least double.

3 And so -- and we are working fairly -- very
4 aggressively to bring in those people, so we are adding
5 lots of people. And based on my most recent discussion
6 with John Stankey, his expectation is that we are on track
7 to be at that higher level.

8 Q. But your understanding is that, currently, the
9 LISC is unable to process timely the orders in the volumes
10 that are currently coming in?

11 A. I don't have the particular details on what the
12 backlog is like today and what our performance levels are.
13 I mean, I had some sidebar conversations that we made, I
14 think, good improvements in our productivity levels in
15 terms of reducing the backlog.

16 But in terms of specific numbers, I knew that
17 the -- the situation was a lot more severe at the end of
18 1996, because you know, we had the onslaught of order
19 activity and all the things that were going on there with,
20 you know, the systems, and then the information on the
21 orders and having to make sure that they were correct,

22 and --

23 Q. But you are aware that a backlog continues to

24 exist today?

25 A. I am aware that we are not -- I don't believe
0077

1 that we -- there are, like, I think a series of

2 requirements in terms of when we give back firm order

3 commitments and, you know, when we notify the customers,

4 and when we -- all those, and I believe that we are -- we

5 are not up to the targeted numbers in those categories,

6 but I don't know specifically one by one.

7 Q. Now, with respect to the volume forecasts that

8 we talked about, have you told us, in your testimony thus

9 far, all the uses that you, or people in your group, make

10 of those forecasts?

11 A. Yes.

12 Q. Other than the capital budgeting that's

13 performed by network services, do you know of any other

14 use within Pacific Bell that is made of these forecasts?

15 A. I don't know of any others, any other uses.

16 MR. McDONALD: I know Mr. Ettinger has some

17 questions. I guess I will defer to him at this point.

18 MR. ETTINGER: Thank you.

19

20 EXAMINATION BY MR. ETTINGER

21 MR. ETTINGER: Q. Good morning, Mr. Villagomez.

22 I apologize for being a little bit late this morning, and

23 so my first few questions may be repetitive.

24 But do I understand that your present position,

25 you are equivalent to being the CFO, or the Chief
0078

1 Financial Officer for the industry markets group?

2 A. It's finance director. We try not to use the

3 word CFO because that title is -- the title is limited to

4 the CFO for Pacific Bell, so we have not used that title

5 for finance directors within business units.

6 Q. I recognize that you don't use that title, but

7 within the industry market groups, you are the highest

8 ranking financial person?

9 A. That's correct.

10 Q. And you came into that position sometime in '95?

11 A. That's correct.

12 Q. When was that?

13 A. In the third quarter.

14 Q. Prior to that time, what was your position?

15 A. I was finance director in our public sector

16 business unit.

17 Q. Was that considered -- the move in late quarter

18 '95 into the inventory markets group, was that a lateral

19 move or a promotion within Pacific Bell?

20 A. It was a -- I believe at the time, it was a

21 promotion. The reason the title stayed the same, within

22 the director title, there's bands, so it was from a band

23 (--) to a band (--).

24 Q. I am not asking you your salary, but -- okay. I

25 understand.

0079

1 MR. KOLTO-WININGER: Is that private information

2 to you, what band you are on?

3 MR. ETTINGER: We can strike that from the
4 record.

5 MR. KOLTO-WININGER: I didn't think you were,
6 but if you have some reason --

7 MR. ETTINGER: Can we agree that we will just
8 strike the -- and not --

9 MR. KOLTO-WININGER: Don't print the band number
10 out on the transcript is what we are all stipulating to.

11 MR. ETTINGER: Just make it from band blank to
12 band blank.

13 MR. McDONALD: That's fine.

14 MR. ETTINGER: Q. I want to take you back to
15 the discussion we had about late '95, when the budgeting
16 for '96 was being done. Let me see if I understand what
17 you testified to, and please correct me if I'm wrong.

18 As I understand it, there was, at that point in
19 late '95, there was not a formal budget being prepared for
20 the resale portion of the industry markets group; is that
21 correct?

22 A. The way I would characterize that is that, for
23 the purposes of industry markets financial group, we did
24 not prepare a budget for resale operations, but rather a
25 budget was prepared by another team of people working
0080

1 within -- with people within industry markets who were
2 responsible for the operations and for the planning for
3 resale.

2 to you, what band you are on?

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4 record.

5 MR. KOLTO-WININGER: I didn't think you were,
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16 for '96 was being done. Let me see if I understand what
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19 late '95, there was not a formal budget being prepared for
20 the resale portion of the industry markets group; is that
21 correct?

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23 the purposes of industry markets financial group, we did
24 not prepare a budget for resale operations, but rather a
25 budget was prepared by another team of people working
0080

1 within -- with people within industry markets who were
2 responsible for the operations and for the planning for
3 resale.

4 Q. I believe you referred to them as various cost
5 estimates rather than a, quote, budget, in your earlier
6 testimony; is that right?

7 A. They were cost estimates, right, based on the --
8 again, I don't recollect exactly the work that Lesley and
9 her team did, but I believe that she was the one that was
10 predominantly responsible for coming up with those
11 estimates.

12 Q. In addition to cost estimates, would they have
13 also prepared revenue estimates?

14 A. I don't remember seeing any revenue estimates.

15 Q. How about estimates of capital expenditures,
16 were they prepared?

17 A. The only ones that I remember them preparing is,
18 again, those capital requirements directly related to
19 computers and different things like that, so support
20 capital but not detailed capital for the purposes of
21 network.

22 Q. When you say support capital, you are talking
23 about the capital expenditures necessary for the operation
24 of the LISC, for example, as opposed to network capital
25 which you are leaving to meet additional switch, that
0081

1 would be a gross example, right?

2 A. Correct.

3 Q. I believe you testified there were various
4 working teams, and you gave examples of the team that
5 dealt with the force requirements and another team that
6 might deal with the systems requirements, remember that?

7 A. Yes.

8 Q. And each of these teams were composed of the
9 requisite subject matter experts, I take it?

10 A. Yes.

11 Q. And they submitted their estimates -- well, let
12 me come back to that in a minute.

13 They came up with various estimates of dollars
14 that they needed, both for expense and for support
15 capital, right?

16 A. Correct.

17 Q. And if that doesn't get you the funds, you still
18 have to get the source of funds from someplace, correct?

19 A. That's correct.

20 Q. And I believe you said that the funds came from
21 a pool of money managed by the local competition
22 organization; is that correct?

23 A. That's correct.

24 Q. The local competition organization is not a
25 party of the industry markets group, correct?

0082

1 A. That's correct.

2 Q. At that time, in late '95, was that an actual
3 organization within the Pacific Bell or Pacific Telesis
4 hierarchy?

5 A. I believe it was, yes.

6 Q. Do you know where it resided?

7 A. It resided -- it resided within the -- within
8 the operations side of Pacific Bell, so I believe they

9 were still called, at that time, network services.

10 Q. The head of that organization was John Seymore,
11 at that time?

12 A. Of the local competition implementation team.

13 Q. He was the head of the team?

14 A. Of that local organization network that had, you
15 know -- for example, the coordinator was Chris Cairns, so
16 he was the VP in charge of that.

17 Q. I am trying to get the understanding here about
18 the use of the word organization versus team. To me, when
19 you say organization -- let me ask this.

20 My understanding of the word organization is
21 that is within a chart, an organization chart, the formal
22 job. Is that your understanding of the word?

23 A. Yes.

24 Q. Now, when I understand team in the corporate
25 context, it's often used when I have people from different
0083

1 organizations brought in on a committee or a group or a
2 team to handle a project. Is that the way you were using
3 team, or were you using team in a more formal sense?

4 A. No. I was using it in the less formal sense.

5 Q. I am interested -- you said John Seymore is the
6 head of the local competition organization or some sort of
7 informal team?

8 A. He was in charge of the organization.

9 Q. And that was within the network portion of
10 Pacific Bell?

11 A. I believe so.

12 Q. And reporting to him was Chris Cairns?

13 A. Yes.

14 Q. So the funds for the expenses and capital

15 support capital had to come out of John Seymore's

16 organization's budget, right?

17 A. That's correct.

18 Q. And was that for all of '96 or just the early

19 part of '96 -- I meant the funding requirement?

20 A. For the resale service operation for the first

21 part of 1996.

22 Q. And when did that funding organization -- excuse

23 me, strike that.

24 When did that funding responsibility shift from

25 John Seymore's group or responsibility to Liz Fetter's
0084

1 responsibility?

2 A. Formally mid-year.

3 Q. By mid-year, you mean --

4 A. June, July.

5 Q. That's probably correct.

6 A. Completion of the second quarter, going into the

7 third -- third and fourth quarter, it was industry

8 market's responsibility.

9 Q. Am I correct that -- and I am not asking you for

10 sub-grades of officers, but by and large John Seymore and

11 Liz Fetter are peers within the Pacific Bell hierarchy?

12 A. I believe so. I don't know. They are both

13 officers of the --

14 Q. Officers of the corporation?

15 A. Yes.

16 Q. I understand that just like within the director
17 title, there may be various bands, there may be different
18 bands within officers, and I am not asking you that
19 question if you knew it, but they are both officers of the
20 corporation?

21 A. That's correct.

22 Q. Within the industry markets group, is Liz Fetter
23 the only individual who is an officer of the corporation;
24 is that correct?

25 A. That's correct.
0085

1 Q. Did John Seymore have that responsibility that
2 you -- the job throughout the first half of '96 or did
3 that change?

4 A. That did not change.

5 Q. Do you know, was there any review of the funding
6 dollars -- strike that -- any review of both the expense
7 and the capital dollars that were submitted by these teams
8 to the John Seymore organization, if you know? Did they
9 review this in any way?

10 A. What do you mean by -- they were -- they must
11 have reviewed it, they got the information they needed to
12 include it in documents, so --

13 MR. KOLTO-WININGER: Are you assuming or --

14 THE WITNESS: I am assuming.

15 MR. ETtinger: Q. So you don't know what they
16 did with the information?

17 A. I know that the budget side of that organization
18 reflected the resource requirements in their budget
19 expectation or their budget estimates. I do know that
20 much. I don't know who reviewed it, how they reviewed it.

21 Q. You say the budget side of that organization.
22 By that organization, you mean the local competition
23 organization?

24 A. That's correct.

25 Q. Do you know who headed up the budget side of
0086
1 that organization for Mr. Seymore?

2 A. I believe Kathy Scott.

3 Q. So that cost in capital estimates would have
4 been submitted to Kathy Scott?

5 A. That's correct.

6 Q. Do you know whether the resale teams received
7 all funding that they requested from the local competition
8 organization?

9 A. As far as my recollection, they got all
10 resources that they requested.

11 Q. They got everything they asked for?

12 A. As far as I know.

13 Q. How do you know that?

14 A. I know that at any point in time where there was
15 a question as to resources that they required, when I was
16 involved in it, it never came to my attention that
17 resources were not being made available. I don't have --
18 I don't have every single recollection. I wasn't involved

19 in every single incident but those that I was, I don't
20 recall ever -- I don't recall ever that they weren't given
21 the resources that they requested.

22 Q. But you don't have personal knowledge of whether
23 or not they received all resources they requested from
24 that organization, do you?

25 A. That's correct, no, I don't.
0087

1 Q. Have you ever discussed with Kathy Scott whether
2 or not they received all resources they requested?

3 A. No.

4 Q. To your knowledge, would Kathy Scott have
5 firsthand knowledge of whether they received all the
6 resources they requested?

7 A. I don't know. I mean --

8 Q. Okay. I have asked you about your knowledge. I
9 will ask you now based on your knowledge of the company,
10 and I will ask for your opinion here which you will be
11 most likely to have based on your knowledge of the
12 question. Would she be the person most likely to have
13 information about that?

14 A. Yes.

15 Q. Mr. McDonald took you in some detail through
16 examples of expenses that go into a budget, both in '96
17 and '97 budget.

18 Let me ask about capital expenditures, and I am
19 talking about support capital. Can you give me examples
20 of the type of items that would make up support capital
21 expenditures?

22 A. Example one would be any computer system that
23 would support the organization, the resale operation
24 organization, so terminals on their desks, servers that
25 would go behind the operation that would serve the whole
0088

1 cast of service reps or order writers, real estate, any
2 real estate building expenditures that would be made.

3 Q. Let me ask now about the desks themselves, are
4 they capital expenses?

5 A. I would -- in most cases, and that's, when I
6 talked about real estate, I included the cost of building
7 and furniture and all those other categories.

8 Q. How is the real estate expense handled -- I
9 mean, the building that they are located is at 370 Third
10 Street; is that right?

11 A. That's one of the buildings, yes.

12 Q. Let's just look at that one. Is that building
13 owned by Pacific?

14 A. Yes. Or I believe so.

15 Q. How is the real estate expense charged to the
16 industry markets group? Is there some sort of internal
17 corporate-type lease payment?

18 A. In general, depending if it's leased or owned,
19 there are different conventions, so if it's leased, we
20 incur a leased cost that is charged back to our budgets.
21 In the case of the build-out, we worked -- we worked with
22 the real estate organization to see what their plans were,
23 and then we jointly managed -- we jointly funded the money

24 required to be able to do the work, and in 1996, 1997 --

25 Q. When you say the build-out, you are talking
0089

1 about actually putting walls in or change the walls and --

2 A. That would be one example, yeah.

3 MR. KOLTO-WININGER: Let him finish the
4 question.

5 THE WITNESS: I'm sorry.

6 MR. ETTINGER: Did you get all that?

7 (Record read.)

8 MR. ETTINGER: Q. Looking at the capital
9 expenditure, some of those expenditures vary by number of
10 employees, don't they? For example, the number of
11 terminals on the desks, right?

12 A. That's correct.

13 Q. Servers wouldn't be on a one-to-one basis, but
14 the more employees you have the more servers you have?

15 A. Depending on the support capacity, the capacity
16 of the system.

17 Q. Real estate type expenses also would vary by
18 number of employees, not on a one-to-one, but there would
19 be variations?

20 A. There would be variations, but it wouldn't be
21 one to one, and it would be triggered by the available
22 space, a variety of things that cause you to incur
23 expenses or expenditures.

24 Q. Now, you also mentioned computer systems. By
25 that were you actually talking about the actual computer,
0090
1 the software that runs the computer, or both?

2 A. That's just a particular case, because we
3 have -- for example, we are going through a process now
4 where we are using a different approach towards computer
5 acquisition for the business. But historically, when you
6 went out and you bought a computer, it had a certain
7 amount of available software.

8 In the case of the resale operation, the main --
9 your position for the machines is to be able to access the
10 operational systems, so, and I am not an expert in that
11 area, so I -- in the case of managers that were using the
12 computer for different functions, like writing letters,
13 putting spreadsheets together, you pay for on a per
14 computer basis.

15 In the case of the actual service operations,
16 I'd only be speculating how, you know, the component of
17 the computer system, the server requirements, what
18 operating systems would be adjusted, how the costs would
19 be incurred there.

20 Q. You testified that, during '96, the cost
21 estimates continued to decline, do you remember?

22 A. Yes, I do remember that.

23 Q. During 1996, did the estimate of necessary
24 capital expenditures also decline?

25 A. Per my recollection, again, looking
0091

1 predominantly at the mid-year estimates, I would define,
2 again, by that small subset amount that we were looking
3 at, the answer is yes, because there are many other

4 capital requirements outside the purview of my budget
5 responsibility, again.

6 Q. We are taking about the capital expenditures,
7 support capital. Is that what you mean by that small
8 subset of capital?

9 A. Again -- right. The support capital and, again,
10 I try to differentiate between other support capital
11 required that supports the systems organization, that I
12 don't -- that's a different budget. Those are different
13 elements, and I don't have direct recollection in terms of
14 how the spend rates were going in that area.

15 So I am just talking about simple computers that
16 managers would be placing on their desks, and if the
17 expectation for people came down, also the associated
18 trailing capital expense would also come down.

19 Q. I am trying to get an understanding. Are you
20 saying you surmised that the capital expenditures went
21 down because the number of employees decreased, or you
22 know that you reviewed various capital expenditures
23 throughout '96?

24 A. I surmised.

25 Q. So you don't know?
0092

1 A. I don't have any recollection exactly what the
2 capital was through 1996 associated with those, that small
3 amount of capital that was associated with personal
4 computers, and so on and so forth.

5 Q. But your surmise would be that it would decline
6 at roughly the same rate as the expenses?

7 A. I wouldn't surmise that, no.

8 Q. Would you surmise it would go in the same
9 direction as the expenses?

10 A. Yes.

11 Q. But the lines to be plotted would not
12 necessarily be parallel; is that your testimony?

13 A. Looking at the numbers, I'd only be guessing.

14 The numbers are different, the size of the numbers are
15 different, the slope of the lines would be different.

16 Q. Did you have a surmise as to which would --
17 which meaning capital versus expenses -- would decline
18 more steeply?

19 A. No.

20 Q. You also mentioned that one of the things that
21 the forecasts drive are the network capital expenditures,
22 correct?

23 A. That's correct.

24 Q. That's not within your area of responsibility;
25 is that correct?

0093

1 A. That's correct.

2 Q. So who would use that? Would that be just
3 somebody also in John Seymore's organization?

4 A. No. That would be the other sides of the
5 network services organization, that would be the
6 engineering teams.

7 Q. At least as far as resale, that would require,
8 to your knowledge, any addition of network facilities,

9 wouldn't it?

10 A. If you -- if the -- at the end of a period, if
11 your requirements for in-service lines were greater, and
12 it had an impact on your available facilities, it may
13 create a requirement to spend capital resources to be able
14 to make sure that you have the facilities in place.

15 Q. I am trying to understand why that's the case.
16 If Mr. Kolto tomorrow decided to switch from Pacific Bell
17 to AT&T, and AT&T served him via reset, how would that
18 affect -- and multiply that by a thousand, and how would
19 that affect Pacific Bell's network capital requirements,
20 since you are still serving the same number of end users?
21 Just a question of who is in between Pacific Bell, if
22 anybody.

23 A. There's only one theoretical outcome, and if
24 it's an existing customer. If it's a new customer, it may
25 have an impact on capital requirements, but if it's

0094

1 just -- if it's only a migration order from one point to
2 the other, you are correct.

3 Q. Even as to new customers, there's always growth,
4 normal growth within the capital budgets, isn't there, do
5 you know?

6 A. The normal growth is based on your volume
7 estimates.

8 Q. So is it your testimony that resale by a CLC
9 stimulates growth?

10 A. No. What my testimony is is that, again,
11 looking at the volume estimates, if there are elements of

12 the resale operation that stimulates growth and requires
13 capital facilities, those capital facilities would be
14 deployed.

15 Q. You don't know whether it did or didn't?

16 A. Again, not based on my current set of
17 information that I am carrying in my head, no.

18 MR. KOLTO-WININGER: That's a nice way to say
19 recollection.

20 MR. ETtinger: Q. Turning your attention now to
21 the '97 budget, you were involved in creating that budget?

22 A. Yes.

23 Q. Within the budget for the resale organization
24 portion of the industry markets, was there a budget for
25 each subgroup?

0095

1 A. When you define subgroup, you mean --

2 Q. Let me define it for you. I take it you are
3 familiar with Lesley Wood, are you not?

4 A. Yes.

5 Q. She runs the group that handles writing the
6 methods and procedures; isn't that correct?

7 A. She is -- right.

8 Q. Using that organization as a definition of
9 subgroup, would she have a budget?

10 A. Yes.

11 Q. So if she testified yesterday that she had no
12 budget for 1997, she would be incorrect?

13 MR. KOLTO-WININGER: I will object that it lacks

14 foundation and calls for speculation, but I want you to
15 answer it.

16 THE WITNESS: This I will tell you. We created
17 a budget expectation for 1997 that included the
18 requirements of Lesley Wood's team, and the part I am
19 speculating at the moment is whether or not she had a
20 requirement to -- or there was a requirement to roll that
21 budget down Lesley's ARC. I don't know right now. We
22 create sub-tending budgets based on the requirements of
23 the individual organizational head. In this case, it was
24 Eileen Arbues. She worked within Eileen Arbues'
25 organization.

0096

1 Q. You said roll that budget down to Lesley's ARC,
2 did you say?

3 A. ARC, A-R-C. It's just a budget designation, so
4 that's the budget designation.

5 Q. A-R-C is the budget designation just for Lesley
6 Wood's group, or it's an acronym?

7 A. It's an acronym for budget designation.

8 Q. Every group has an ARC?

9 A. Correct.

10 Q. Within the budget terminology?

11 A. Correct.

12 Q. And so you are saying you know you created a
13 budget for Eileen Arbues' organization. Whether you
14 rolled it down below that, you don't recall?

15 A. We do know that we rolled it down below Eileen
16 Arbues' level. I don't know at this moment whether or not

17 there is a budget page created for -- specifically for

18 Lesley Wood.

19 Q. If there was, is it possible that it's created

20 and she is not aware of it?

21 MR. KOLTO-WININGER: Calls for speculation, but

22 go ahead.

23 MR. ETTINGER: Q. Let me withdraw that, it does

24 call for speculation.

25 Let me ask the -- by which you know that she is
0097

1 in Eileen Arbues' group, since you know that, you created

2 a budget for that group, correct?

3 A. That's correct.

4 Q. Is Eileen Arbues personally made aware of what

5 that budget amount is?

6 A. Yes.

7 Q. How is she made aware of that?

8 A. We meet with her personally, we go through her

9 budget. Actually, she goes through her budget

10 expectations with us.

11 Q. Are you aware of any budget -- is it correct to

12 say budget ARC, that's created for a group smaller than

13 Eileen Arbues'?

14 A. Yes.

15 Q. Could you give me an example of that?

16 A. An example would be -- an example would be --

17 for example, one of the other -- let's look at Jerry

18 Sinn's organization. Our budgets at the level below him,

19 for example, Jeff Phelps, so I do know that we created a
20 budget there. Other organizations, again, at director
21 level, we create sub-tending budgets for those
22 organizations.

23 Q. Where you create sub-tending budgets, are they
24 communicated to the person who is in charge of that
25 sub-tending group?

0098

1 A. It varies. The responsibility for -- the
2 responsibility for communication and all that is the head
3 of the organization, so my discussions were with Eileen
4 Arbues, not with Lesley Wood.

5 Q. Your testimony is that you don't remember if you
6 created a sub-tending budget for Lesley Wood?

7 A. That's correct.

8 Q. Is it your testimony that it's -- here I will
9 ask for some speculation, so be prepared.

10 MR. KOLTO-WININGER: I will object now before
11 you ask your question.

12 MR. ETTINGER: Q. Is it possible that you -
13 created a budget for Lesley Wood's sub-tending group,
14 communicated it to Eileen Arbues, and she did not
15 communicate it to Lesley Wood?

16 MR. KOLTO-WININGER: Calls for speculation. But
17 go ahead.

18 THE WITNESS: It's not likely but it's possible.

19 MR. ETTINGER: Q. Possible. The way the
20 process works is that you create the budgets and the
21 sub-tending budgets, if any, and then communicate that to

22 the head of the group; is that correct?

23 A. That's my involvement. I have a team of people
24 who work to put these budgets together, and so they have
25 much more day-to-day activity with individuals within
0099
1 organizations to ensure that, you know, we are in step.

2 We understand what their expectations are, so on and so
3 forth.

4 So as a part of that process, it may or not been
5 that someone from my team may have met with Lesley. I am
6 not prepared to talk about that process in detail, again,
7 because my focal point is with my counterparts to make
8 sure that they are, you know -- I understand what their
9 issues are and I am satisfied that my team is working on
10 those issues.

11 Q. Let me ask you about the '97 budget, the format
12 of the budget. I am not sure if we -- have we now asked
13 for that? I don't recall from Mr. McDonald --

14 MR. McDONALD: I don't think so.

15 MR. KOLTO-WININGER: I don't think so.

16 MR. ETTINGER: We asked the possibility of it.

17 MR. McDONALD: There will be a letter.

18 MR. ETTINGER: Q. I am going to ask you a
19 question in anticipation that we ask for it and it's
20 produced, that's to be determined between counsel, but I
21 want to know how to read it if we get it. It will show an
22 entry for each organization; is that how it will read?

23 A. I'm sorry --

24 Q. Would it take you long to draw up something in

25 column and line format without putting numbers in it to
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1 just -- and not being complete, but give me an example of

2 what the '97 budget will look like in layout. Could that

3 be done reasonably quickly?

4 A. Yeah, I could do that.

5 Q. Rather than me just guessing at it and asking

6 you a lot of questions and you saying no that's not it, if

7 you could do it, I'd ask you to do that on a piece of

8 paper and we will mark that as a deposition exhibit.

9 A. Again, let me clarify that what I am going to do

10 here is just -- there is a series of detailed budgets that

11 are put together with various underlying support

12 information, and so -- I mean, the question is a little

13 bit vague because I could create a summary page that shows

14 by organizational head Eileen Arbues.

15 Q. Let's do a summary page.

16 A. And then Sinn, Stankey, Villagomez.

17 MR. ETtinger: Can we go off the record for one

18 second.

19 (Discussion off the record.)

20 MR. ETtinger: Back on the record.

21 Q. At my request, you have created a document which

22 is the format of a summary page of a budget?

23 A. That's correct.

24 Q. And on the left-hand side, you have the names of

25 the head of each of the groups within the Fetter

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1 organization; is that correct?

2 A. That's correct.

3 Q. And then across the top, you have months from
4 January to December, then within each -- within the
5 confines of the columns, on the lines, you have entries
6 that could either be dollars or force?

7 A. That's correct.

8 Q. Anything else that would go into those -- let's
9 call them boxes, where the lines and the columns come
10 together?

11 A. In this summary case, no. We break out dollars
12 in labor and nonlabor.

13 Q. Would dollars be also broken out by -- this just
14 expense dollars?

15 A. Yes.

16 Q. Capital dollars wouldn't be in this?

17 A. We don't -- we don't usually break down -- we
18 don't usually break down capital. We manage that
19 centrally because it's a small dollar amount.

20 Q. I am going to ask you this -- let's take the US
21 Group that's got -- first, if there was just a budget for
22 that group, that might be broken down among the various --
23 in the same way, among the various people who report to
24 Ms. Arbues, correct?

25 A. That's correct.
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1 Q. And the same for each one of the individuals
2 here?

3 A. For example, in my case, I don't do that.